

HOME
CURRENT ISSUE
ISSUE ARCHIVE
FIND A SUPPLIER
SUBSCRIBE/RENEW
ADVERTISING INFO
INDUSTRY EVENTS
CONTACT US
QUICK MANUFACTURING NEWS

October, 2007

[EMAIL THIS](#)[PRINT THIS](#)[REPRINT/LICENSE THIS](#)

Global Steel Demand Seen Rising 6.8%

Worldwide steel consumption approaching 1.12 billion metric tons

Search:

GO!

October 8, 2007 — At its 41st annual meeting, in Berlin, the International Iron and Steel Institute has released its semi-annual outlook for global steel consumption, and sees a 6.8% increase in "steel use" through 2008. This is an 0.9% increase over the midterm projection the Institute issued last March, and would mirror the increase in steel consumption that occurred from 2006 to 2007. Over that period, steel use rose from 1.12 billion metric tons in 2006 to 1.197 billion metric tons anticipated for 2007.



The outgoing Institute chairman John Surma, also chairman of U.S. Steel Corp., stated: "Although global economic risks have increased, the IISI forecast assumes that the recent credit market volatility will not move the U.S. economy into recession. We are pleased to note that North Africa, South Africa, and the Middle East are emerging as strong growth regions as higher energy and raw material prices associated with growth in China, as well as other developing nations, increase income and boost investments in these regions."

The so-called BRIC economies (Brazil, Russia, India, China) accounted for 41% of global steel demand in 2006, and the IISI forecast indicates these countries again will lead the expansion with an increase of 12.8% for 2007, and 11.1% for 2008. A remarkable 77% of global steel demand will be centered in these markets in 2007, and 71% in 2008.

The BRIC (Brazil, Russia, India and China) countries, which accounted for about 41% of global steel demand in 2006, will again be leading the growth with an expected increase of 12.8% for 2007 and 11.1% for 2008. Overall, 77% of world growth in 2007 and 71% in 2008 will take place in BRIC.

China apparent steel use is expected to grow by 11.4% in 2007 and 11.5% in 2008, accounting for 35% of the world total. For India, forecasts for apparent steel use point to an increase of 13.7% in 2007 (516.6 million metric tons) and 11.8% in 2008 (573.9 million metric tons.)

Steel demand in Russia is seen rising by 25% in 2007, and by 9.5% in 2008. Brazil is targeted for 15.7% growth in steel demand this year, and 5.1% growth in 2008.

One area where steel demand is seen slackening versus the previous forecast is the NAFTA region: IISI now anticipates residential construction will force down overall growth in demand by -4.9% in 2007 (148.1 million), as will the ongoing effort to sell out inventories; it expects 2008 demand to rise again by 4% (153.9 million metric tons.)

European Union demand (now encompassing 27 nations) will be driven by growth in Germany, but "mitigated by adjustments in the inventory positions," according to IISI. It sees demand rising by 4% in 2007 (192.2 million metric tons), and 1.4% in 2008 (195 million metric tons.)

by Metal Producing & Process (mppstaff@penton.com)

Copyright © 2007 Penton Media, Inc.

[Copyright Notice](#) | [Privacy Policy](#)

